

CITY OF SAN JOSE - MEMORANDUM

TO: Mark Linder Parks, Recreation and Neighborhood Services	FROM: Gerald A. Silva City Auditor
SUBJECT: <i>Petty Cash and Change Funds</i>	DATE: May 29, 1998

APPROVED

DATE

This memorandum is to fully inform you of the situation we discovered on Monday, May 18, 1998 at the Camden Community Sports and Aquatics Center.

After the preliminary draft audit report was issued, PRNS provided us with additional information regarding Petty Cash and Change Funds. Specifically, we received copies of the Petty Cash Fund and Change Fund Confirmation forms PRNS Fund Custodians filled out and returned to the Finance Department to report year-end status of Petty Cash and Change Funds. We found some inconsistencies when we compared the information on these forms with PRNS Administrative Services' list of Petty Cash and Change Funds. As a result, it was necessary to revisit several sites to check on these inconsistencies.

On Monday, May 18, 1998 Robin Klenke visited the Camden Community Sports and Aquatics site. She verified that this site has one \$200 Petty Cash Fund and two Change Funds of \$100 and \$25, for total cash funds of \$325. However, she found only \$.74 in the Petty Cash Fund envelope and no money at all in the Change Fund envelopes. Also, the Petty Cash Fund envelope contained a note dated the previous day, May 17 (a Sunday), stating that of \$19.74 Petty Cash on hand, \$19 was taken for a track meet event that day. In addition, there was no cash in either the \$100 Community Sports Change Fund or the \$25 Facility Reservations Change Fund envelopes. Instead, the envelopes contained notes stating that since Petty Cash on hand was insufficient to purchase supplies for the weekend event, the Change Funds had been taken for that purpose.

The Fund Custodian informed us that \$183 in Petty Cash Funds had been expended the previous weekend and she was still waiting for some receipts. Therefore, the Petty Cash Fund was not replenished during the week. In addition, the staff person running the Sunday event stated that a trip downtown to get money advanced from the Petty Cash Checking Account should have been made but a very busy week left no opportunity to make the trip.

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This incident raises the following concerns:

- Co-mingling of funds
- Timeliness of submission of receipts
- Timeliness of fund replenishment
- Staff communication issues
- Staff planning and coordination issues

While I did not deem it necessary to report this specific situation in the audit report I feel you should be aware of it and take whatever action you think is appropriate to avoid similar occurrences in the future.

If you need any more information or assistance regarding this matter please contact me at 277-8338.

Gerald A. Silva
City Auditor

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cc: Jean Boyden
Ron Hunter
Terry Eberhardt
Bob Coats